

Member News

Summer 2007



On May 9, Gov. Mitch Daniels honored 15 members of the PERF retirement benefits team with the Governor's Public Service Achievement Award. They were recognized for a dramatic turnaround in customer service involving PERF retirees.

UNDERSTANDING THE VALUE OF YOUR PENSION PLAN

Distinct advantages of defined benefit (pension) plans:

- Stability: Guaranteed income for life
- Strength: Professional investment management
- Ease: No cost to you, the member

After retirement, your defined benefit (pension) will most likely serve as the foundation of your income. This type of retirement plan has become less and less common in recent years. According to the Pension Benefit Guaranty Corporation, there are about 38,000 insured defined benefit plans today, compared to a high of about 114,000 in 1985. Your defined benefit (pension) will play an integral role in your retirement. Think about it, a guaranteed monthly check for life, no matter how long you live.

HOW IT WORKS FOR YOU:

Your employer funds the cost of this future benefit by contributing a designated percentage of their payroll to the fund. These monies and their investment earnings pay for the lifetime monthly benefit that you and your co-workers will receive upon becoming eligible and applying for retirement benefits. It is important to understand that if you do not become eligible to receive a pension benefit, these funds will remain in the employer's account to pay for future benefit obligations to others.

Terren B. Magid Named Executive Director of PERF

On June 1, Gov. Mitch Daniels and PERF's Board of Directors appointed Terren B. Magid, previously PERF's deputy director and chief operating officer, as executive director of the fund.

"We will continue to focus on exceptional customer service, accountability and tangible results," Magid said. "These values ultimately will help our members achieve their retirement goals."

Magid's previous responsibilities at PERF included the oversight of financial operations and customer service functions. These areas delivered PERF's first clean audit opinion in four years and eliminated a six month backlog in retirement applications.

"Hundreds of thousands of current and former public employees depend on PERF for a secure financial future," Gov. Daniels said. "Terry's solid management experience and financial expertise will ensure the fund remains vibrant and is reliably delivering benefits to retirees."

Magid is a 1987 graduate of Tulane University and earned law and tax law degrees at New York University School of Law. His career has included leadership roles with Eli Lilly and Company and Great Lakes Chemical Corporation.

"In the nearly 18 months we've worked with Terry as deputy director, he has earned the board's confidence and respect," said Kendall W. Cochran, chairperson of PERF's Board of Trustees. "I'm certain he will continue the dramatic improvements PERF has made in customer service, while looking for new opportunities to strengthen the fund's operations."



Member's Corner

Dates to Remember

Here are some dates for submitting retirement applications to PERF. You can find more Dates to Remember at www.perf.in.gov.

If Retirement Date Is:	Application Deadline:
Mar. 1, 2008	Sept. 1, 2007
Apr. 1, 2008	Oct. 1, 2007
May 1, 2008	Nov. 1, 2007
Jun 1, 2008	Dec. 1, 2007

PAY ATTENTION TO PERF!

Please remember to keep your personal information current. To update your name and/or address:

- Go to www.perf.in.gov and click "Common Member Forms" to download the appropriate form or
- Call (888) 526-1687 to request the form from a PERF customer service representative.

Complete the form, sign it, then fax or mail it to PERF.

PERF's Mission:

We are committed to serve — through exceptional customer service — our employers, our members and their families, in achieving their retirement goals and financial security.

Applying for Retirement Benefits

For most people, applying for a retirement benefit is a once-in-a-lifetime event. We hope to help you make the transition from your last paycheck to your first benefit check as easy as possible. You have worked many years to secure a rewarding retirement, and right now you have a lot of information to read and some important decisions to make. To help you learn about this sometimes daunting process, you will find information about the retirement application process itself below.

THE RETIREMENT APPLICATION PROCESS*

What members must do:

- Complete a retirement application by answering all the questions and completing all required forms.
- Sign the application and have your signature notarized.
- Send PERF the application and all supporting documentation, such as birth certificates, for you and anyone who would receive a PERF benefit after you die.

What your employer must do:

- Authorize PERF to make benefit payments based on how long you have worked and what wages were paid.
- Be current with employer contributions, which pay for the monthly pensions promised to eligible plan members.
- Send PERF a report on the last day you worked and the final wages paid. Authorize your last day (some future date) of employment so we can establish eligibility.

What PERF does:

- Check each application for required information and signatures.
- Get the information necessary from all employers to calculate the retirement benefit.
- Check our financial records to verify that all employer and employee records are accurate.
- Calculate the correct amount of the payment that will be sent each month based on the member's records, the calculation formula established by law and the member's choices on the application.
- Audit the calculation to verify its accuracy.
- Process the benefit for direct deposit each month.

****Remember:** Please allow six months between filing your application and your retirement date to avoid the possibility of a delay between your last paycheck and your first benefit payment.*

The Road to Retirement: Age Based Planning

We all share a common ambition: to enjoy a financially secure retirement. With the average life expectancy 30 years longer today than it was 100 years ago, accumulating an adequate nest egg to sustain a comfortable, but longer retirement has become more challenging. Most of us realize that retirement is something we must actively plan and save toward, but we often do not know where or when to start. Here are some age-based tips to help you on your journey towards a successful retirement.

IN YOUR 30s AND 40s ... WORKING ON IT

It's easy to get sidetracked from retirement saving during your thirties and forties, especially when the day-to-day expenses seem to overshadow the need to plan ahead. Perhaps you have gotten married, bought a home or even started a family. Though this is a period of high expenses, don't let this derail you from saving for your retirement.

- Continue to set aside at least 10 percent of your income in tax deferred investments. Consider a more aggressive asset allocation, if this style fits your investment goals, time horizon and tolerance for risk.
- When choosing between saving for your retirement versus saving for a college education, think about saving for retirement first. Remember that your child may have financial aid available. Many financial advisors would remind you that you are on your own for your retirement.
- Make sure you and your spouse have adequate life insurance and disability coverage.
- Draw up a will and name a guardian for your children. Understand how your marital assets are titled.
- Contact Social Security and ask for Form SSA-7004, the Request for Earnings and Estimated Benefits. It is important to check your earnings every three years, since the Social Security Administration will not correct a mistake older than this.
- Avoid tapping into retirement accounts for such things as a down payment or home improvements.
- Begin estimating what you will need for a comfortable retirement and scale back now to help you reach that goal. Apply savings to your retirement nest egg. It is also a good rule of thumb to increase your retirement savings each time you receive an increase in pay.

PERF Launches Customer Service Initiatives

PERF's smaller funds recently began taking steps to improve processes and ultimately, help customers navigate retirement related processes with ease. Some of the measures that have already started include:

- Internal procedures have been streamlined to make benefit processing faster and more efficient.
- Manager Floyd Teamer has been hired to evaluate and improve internal processes on a continual basis. He comes to PERF with 16 years experience in operational management.
- A customer survey has been developed to evaluate fund member needs and learn better ways to increase the level of customer service offered. Surveys will soon be sent to members who contact PERF by phone. The results received will initiate further enhancements.
- A mailing list clean up has been initiated to improve the channels of communication with fund members.
- Improvements to online functionality are coming down the pipeline. Members will be notified as these improvements occur.



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Governor Mitch Daniels

Executive Director Terren B. Magid

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